



Australian Institute of Commercialisation

5 October 2010



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Background on Lend Lease Ventures

Where the money is being invested

Stages of Venture Capital investing

Investment Filters

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Stages of Venture Capital investing

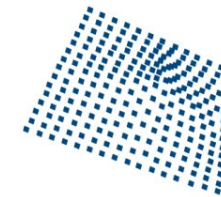
Investment Filters

- Lend Lease's venture capital business
- Operational since July 2007
- Mandate: "Cleantech meets Property"
- Expansion capital
- Don't invest in projects (too capital intensive/lower returns)
- Fund size of A\$100m
- Close to half invested or committed to existing portfolio of 6 companies
- 5 executives based in Sydney



Daintree**Networks**

better place 



windlab



 BioPower
Systems

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Where the money is being invested

Clean Energy

- Just over US\$121 billion in CY2009
- Typically large infrastructure projects with life spans of 10 – 30+ years
- Dominated by Wind, Solar and Biomass
- Market driven by regulation, incentives and country specific renewable energy targets
- In 2004, the market was just over US\$18 billion (*grown over 6 fold in 6 years*)

Cleantech

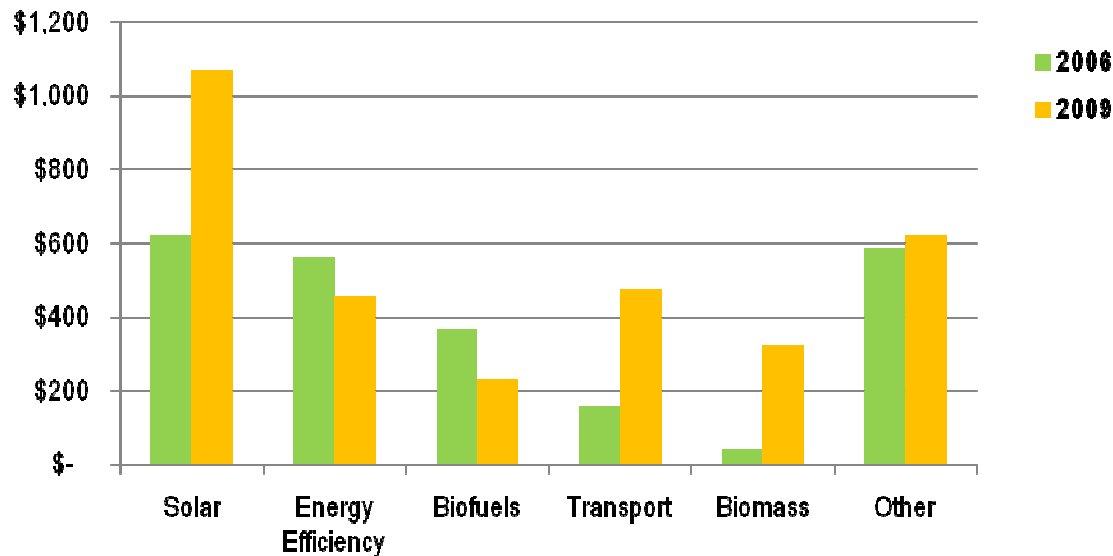
- Almost \$3.2 billion invested in CY2009
- Dominated by Solar (*technology investment as opposed to projects*)
- Higher risk and smaller investments compared to Clean Energy investment
- Market mostly driven by global shifts in Energy supply and use

Source: Bloomberg New Energy Finance

Note: Figures provided relate to energy components of Cleantech

Cleantech – Global Context

US\$ millions

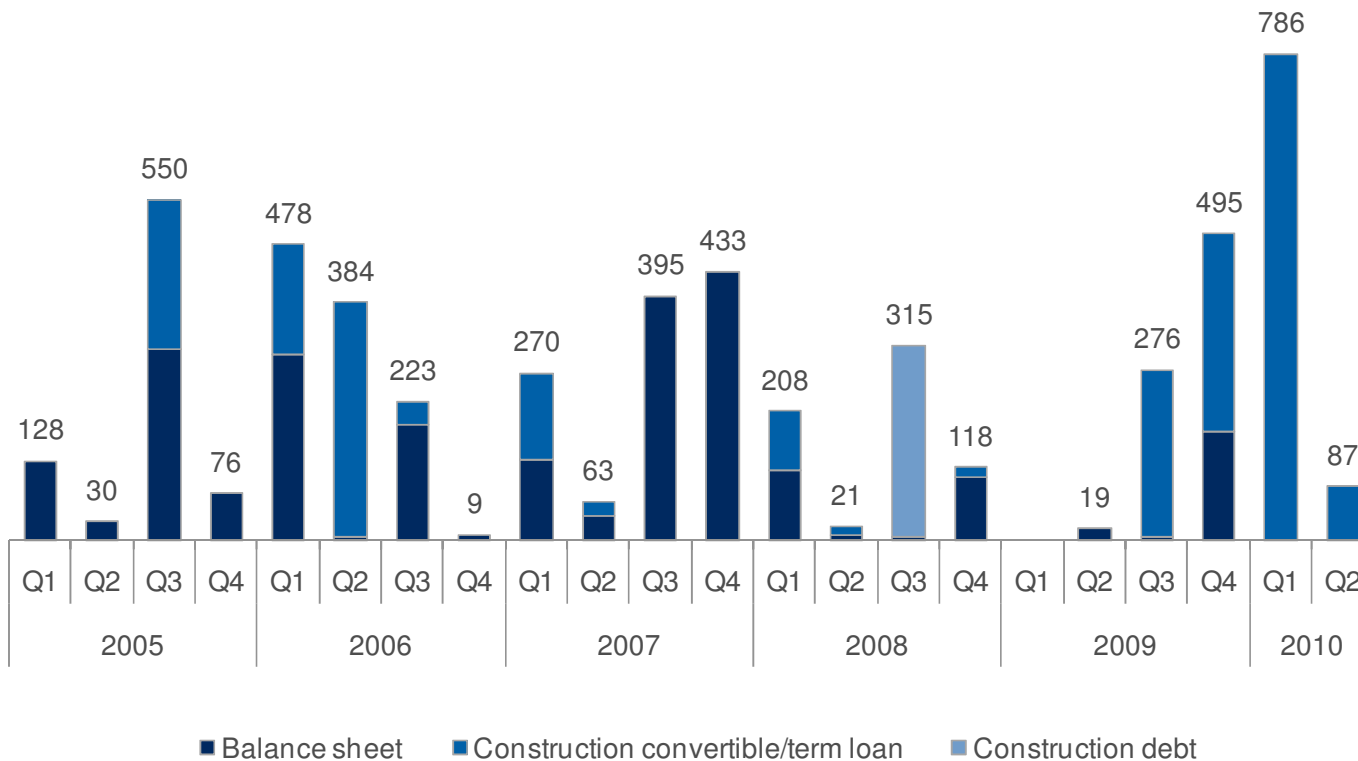


- 2006 total investment: US\$2.3 billion
- 2009 total investment: US\$3.2 billion
- Dominance by Solar continues
- Transport (EVs) and Biomass (*waste to energy technologies*) have seen significant increases in investment

Source: Bloomberg New Energy Finance

Note: Figures provided relate to energy components of Cleantech

Clean Energy – Australian Context



- Over A\$1.6b invested in 12 months to June 2010
- Development has a number of SME sized players (e.g. Windlab (*alongside partners*) which is responsible for developing the cA\$700m Colgar wind farm cA\$200m Oaklands Hill wind farm)
- Financing, Construction and ownership dominated by large utilities and infrastructure funds

- In the data collected by the Australian Private Equity and Venture Capital Association (AVCAL), at least 27 cleantech companies have been funded by AVCAL members
- In FY09, 9 cleantech companies raised \$29 million in funding from AVCAL members
- In FY10, 12 cleantech companies raised greater than \$40 million in funding from AVCAL members
- In FY10, Lend Lease Ventures invested close to \$30 million in 3 Australian cleantech companies

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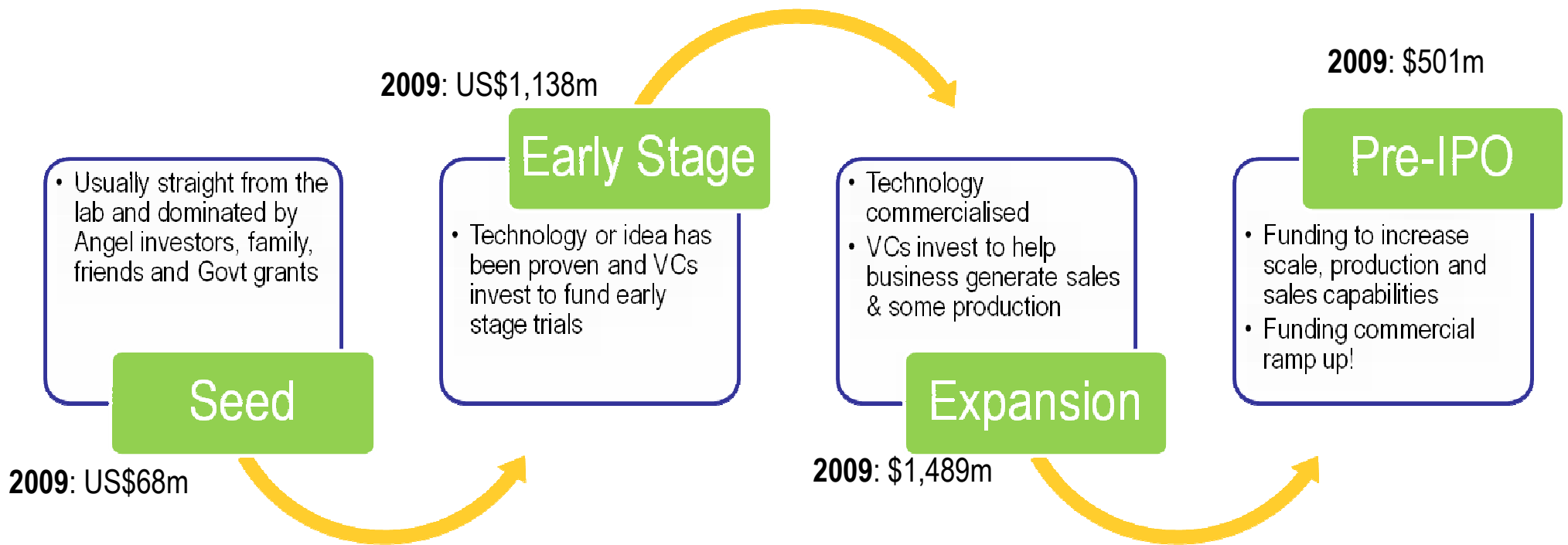
Background on Lend Lease Ventures

Where the money is being invested

Stages of Venture Capital investment

Our Approach and Investment Filters

Typical Stages of Venture Capital Investment



Source: Bloomberg New Energy Finance

Note: Figures provided relate to energy components of Cleantech

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Our Approach and Investment Filters

Investment Filters

Metric	Importance	Comment
Can the business generate VC returns?	Mandatory	Minimum 30% - higher depending on risk
Quality management teams	Very Important	Consider breadth and depth of management team. Need high degree of confidence in CEO
Sustainable business model	Very Important	May be defensible IP, position in market place, high entry barriers
Can we take a meaningful ownership stake?	Very Important	Targeting 20%-50% equity (including options) and board representation
Is the technology proven?	Important	Targeting expansion capital, so some level of commercial revenue

Investment Filters

Metric	Importance	Comment
Business value \$10m - \$150m	Important	Preferred range is \$30m-\$60m given equity % we are seeking and size of LLV "fund"
Is there alignment with board / other shareholders	Important	Investment based on agreed business plan / strategy. Rights of veto, etc to protect LLV position
Australian / NZ based	Preferred	Global mandate, but size and location of team means local focus
Are there multiple options for exit (within 5-7 year horizon)?	Preferred	Options include IPO, Trade Sale and potential LL acquisition
Is there offshore potential?	Preferred	LL can assist commercialisation into global markets through our local presence